



Amendment No. 3
To
Contract No. NC180000014
For
Pre-Sort Mail Services
Between
Pitney Bowes Presort Services, LLC
and the
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be September 1, 2020 through August 31, 2021. One renewal option remains.
- 2.0 The total contract amount is increased by \$25,000.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 09/21/2018 – 08/31/2019	\$50,000.00	\$50,000.00
Amendment No. 1: Vendor Change 11/07/2019	\$0.00	\$50,000.00
Amendment No. 2: Option 1 – Extension 09/01/2019 – 08/31/2020	\$25,000.00	\$75,000.00
Amendment No. 3: Option 2 - Extension 09/01/2020 – 08/31/2021	\$25,000.00	\$100,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 The City of Austin contract is associated with Texas SmartBuy Cooperative Contract 915-M1. The effective Texas SmartBuy term is September 1, 2017 through August 31, 2021, with a renewal option remaining through August 31, 2022.
- 5.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 6.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date:

Handwritten signature of Nicole Ziska.

8/3/2020

Sign/Date:

Handwritten signature of Claudia Rodriguez.

Digitally signed by Claudia
Rodriguez
Date: 2020.08.03 11:12:14 -05'00'

Printed Name: Nicole Ziska, VP - Network & Process Optimization
Authorized Representative

Pitney Bowes Presort Services, LLC
4101 Freidrich Lane, Suite 211
Austin, Texas 78744
(512) 804-0938
susan.smith@pb.com

Claudia Rodriguez
Procurement Specialist IV

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



Amendment No. 2
To
Contract No. NC180000014
For
Pre-Sort Mail Services
Between
Pitney Bowes Presort Services, LLC
and the
City of Austin


- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be September 1, 2019 through August 31, 2020. Two options will remain.
- 2.0 The total contract amount is increased by \$25,000.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 09/21/2018 – 08/31/2019	\$50,000.00	\$50,000.00
Amendment No. 1: Vendor Change 11/07/2019	\$0.00	\$50,000.00
Amendment No. 2: Option 1 – Extension 09/01/2019 – 08/31/2020	\$25,000.00	\$75,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 The City of Austin contract is associated with Texas SmartBuy Cooperative Contract 915-M1. The effective Texas SmartBuy term is September 1, 2017 through August 31, 2020.
- 5.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 6.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date:


Nicole M. Ziska
Printed Name **VP - Network & Process Optimization**
Authorized Representative

Pitney Bowes Presort Services, LLC
4101 Freidrich Lane, Suite 211
Austin, Texas 78744
(512) 804-0938
susan.smith@pb.com

Sign/Date:


Matthew Duree
Procurement Manager

City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701

11-7-19



Amendment No. 1
to
Contract No. NC180000014
For
Pre-Sort Mail Services
Between
Pitney Bowes Presort Services, Inc.
and the
City of Austin

1.0 The Contract is hereby amended as follows: Change the vendor information as requested and documented by the vendor.


	From	To
Vendor Name	Pitney Bowes Presort Services, Inc.	Pitney Bowes Presort Services, LLC
Vendor Code	PSI8313669	PSI8313669
FEIN	[REDACTED]	[REDACTED]

2.0 All other terms and conditions of the Contract remain unchanged and in full force and effect.

BY THE SIGNATURE affixed below, this Amendment No. 1 is hereby incorporated into and made a part of the Contract.


Pitney Bowes Presort Services, LLC
4101 Freidrich Lane, Suite 211
Austin, Texas 78744
(512) 804-0938
susan.smith@pb.com

11/7/19
Date


Linell Goodin-Brown
Contract Management Supervisor II
City of Austin, Purchasing Office

11-7-19
Date



City of Austin

Purchasing Office

P.O. Box 1088, Austin, TX 78767

September 21, 2018

Pitney Bowes Presort Services, Inc.
Phillip Ostrand
4401 Friedrich Lane, Suite 211
Austin, TX 78744
phil.oststrand@pb.com

Dear Mr. Ostrand:

The City of Austin approved the execution of a contract with Pitney Bowes Presort Services, Inc. for Pre-Sort Mail Services.

Responsible Department:	Building Services Department
Department Contact Person:	David Lothery
Department Contact Email Address:	david.lothery@austintexas.gov
Department Contact Telephone:	(512) 974-1332
Project Name:	Pre-Sort Mail Services
Contractor Name:	Pitney Bowes Presort Services
Contract Number:	MA 7500 NC180000014
Contract Period:	09/21/2018 – 08/31/2019
Dollar Amount	\$50,000.00
Extension Options:	Three 12-month options
Requisition Number:	RQM 7500 18020100245

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person.

Sincerely,

Jonathan Dalchau
Procurement Specialist IV
City of Austin
Purchasing Office

**CONTRACT BETWEEN THE CITY OF AUSTIN ("CITY")
AND
PITNEY BOWES PRESORT SERVICES, INC. ALIAS: PSI GROUP, INC. ("CONTRACTOR")
FOR
PRE-SORT MAIL SERVICES
MA 7500 NC180000014**

This Contract is between Pitney Bowes Presort Services, Inc. having offices at 4401 Friedrich Lane, Suite 211, Austin, TX 78744 and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date"). Solicitation requirements are met by using Contractor's Texas Smart Buy Contract No. 915-M1.

1.1 This Contract is composed of the following documents:

- 1.1.1 This document
- 1.1.2 Exhibit A, Description of Services
- 1.1.3 Exhibit B, Supplemental Terms
- 1.1.4 Exhibit C, Texas Smart Buy Contract No. 915-M1
- 1.1.5 Exhibit D, Non-Discrimination Certification

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 This document
- 1.2.2 Description of Services as referenced in Section 1.1.2
- 1.2.3 Supplemental Terms as referenced in Section 1.1.3
- 1.2.4 Texas Smart Buy Contract No. 915-M1 as referenced in Section 1.1.4

1.3 Quantity. Quantities will be as needed and specified by the City for each order. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term.

1.4 Term of Contract. The Contract shall be in effect for an initial term until 08/31/2019 and may be extended automatically beyond the initial term for up to three (3) twelve (12) month periods, subject to the extension of the cooperative contract (as referenced in Section 1.1.4 above), at the City's sole option unless the contractor is notified in writing no less than thirty (30) days prior to the Contract's expiration. The City reserves the right to transfer this contract to future Texas Smart Buy contracts that supersede Texas Smart Buy Term Contract No. 915-M1, if the terms and conditions are favorable to the City.

1.5 Compensation. The Contractor shall be paid a total Not-to-Exceed amount of \$50,000.00 for the initial Contract term and \$25,000.00 for each extension option for a total amount Not-to-Exceed \$125,000.00.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

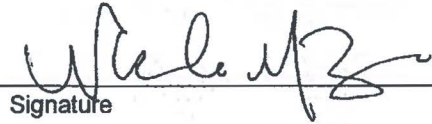
In witness whereof, the City has caused a duly authorized representative to execute this Contract on the date set forth below.

PITNEY BOWES PRESORT SERVICES, INC.

CITY OF AUSTIN

NICOLE ZISKA

Printed Name of Authorized Person



Signature

CHIEF OPERATING OFFICER

Title:

9/20/18

Date:

JONATHAN DALCHAU

Printed Name of Authorized Person



Signature

PROCUREMENT SPECIALIST IV

Title:

9/21/2018

Date:

Exhibit A - City's Description of Services

Exhibit B - Supplemental Terms

Exhibit C - Texas Smart Buy Contract No. 915-M1, including the Price Sheet and Scope of Services

Exhibit D - Non-Discrimination Certification

**EXHIBIT A
CITY OF AUSTIN
DESCRIPTION OF SERVICES**

1. **Services Provided by Contractor.** Contractor will pick up the City's pre-metered or pre-canceled stamp First Class letter and flat mail, whichever applies, at Customer's designated address(es) as specified in Section 2 below, sort said mail at Contractor's business location and deliver said mail to the United States Postal Service (USPS). If the City's mail is not pre-metered or is not posted with sufficient postage, then Contractor shall meter the City's mail with the correct postage determined by size and weight and process such mail. The mail shall be delivered to the USPS on the metered date, provided that the metered mail is properly prepared by the City and made available for pick up by Contractor on or before the daily pick up times specified in Section 2 below, or as mutually agreed upon from time to time. The City agrees that, in performing its services pursuant to this Contract, Contractor may, at its sole discretion, move the City's mail from one Contractor operating center to another Contractor operating center.

2. **Pick Up Location(s) and Time(s).**

- 2.1. **Address for Pick Up.** Contractor will pick up the City's mail at the following address(es):

City of Austin
2006 East 4th St.
Austin, TX 78701

- 2.2. **Pick Up Times.** The City shall assemble and make available for pick up its mail on such schedule as may be mutually agreed upon by the parties, in writing, from time to time, with the initial schedule to be as follows:

Days of the Week	Metered for Same Day	Metered for Next Day *
Monday	N/A	9:00 a.m.
Tuesday	N/A	9:00 a.m.
Wednesday	N/A	9:00 a.m.
Thursday	N/A	9:00 a.m.
Friday	N/A	9:00 a.m.
Saturday	N/A	N/A
Sunday	N/A	N/A

* The City meters its mail for the next day; however, Contractor processes such mail on the day it is picked up by Contractor.

3. **Postage Deposit.** If the City uses Permit mail, pre-meters mail at the 5-Digit Automation rate, or regularly requires Contractor to meter mail on the City's behalf, the City shall deposit in advance with Contractor the initial sum of \$0.00. The amount to be deposited may be changed by Contractor on a periodic basis (but not more frequently than quarterly) based upon changes in the City's volume, postage usage, service fees, payment history or services utilized. The City will be notified in advance, in writing, if the deposit amount is changed. Contractor shall retain any and all interest income earned on the deposit amount. Upon the termination of this Contract, Contractor shall return the deposit to the City after all Fees for services and postage have been paid to Contractor by the City. If the City fails to maintain the deposit at the then-applicable level(s), the Contractor may immediately suspend its performance under the contract and will, at the City's option, either: (i) hold the City's mail until the deposit is received or (ii) return the mail to the City.
4. **Move Update Requirement.** USPS regulations require that mailers utilizing First Class discounted postage rates select one or more authorized move-update options. The City will utilize the authorized Move Update option(s) indicated below. If the City utilizes the PBPS Move Update Solution provided by Contractor, additional terms and conditions applicable to such services are set forth below.
- 4.1. **Move-Update Option.** The City will complete a Certification of Move Update Compliance form as may be reasonably requested by Contractor from time to time in order to confirm the Move Update Option selected by the City on a job by job basis. The City's selections include the following move-update option(s):

**EXHIBIT A
CITY OF AUSTIN
DESCRIPTION OF SERVICES**

Indicate the selected option for Move Update Solution by placing an "X" in each column under the mail category type indicated.

Option	First Class Letter Mail	First Class Flat Mail	Standard Class Letter Mail
Not Applicable			X
A USPS approved Move Update Solution provided and utilized by the City on all mail of this type			
PBPS Move Update Solution (an MLOCR-based software application such as Siemens UMove) provided by Contractor on all mail of this type	X	X	
A USPS approved Move Update Solution provided and utilized by the City on all mail of this type, except for designated jobs within the mail type as agreed by the parties on which Contractor shall utilize the PBPS Move Update Solution			

The USPS uses a census method of testing to determine if a mail owner's addresses are being updated as required by USPS Move Update Compliance regulations. Mailpiece compliance is measured per calendar month and results are reported on the USPS Mailer Scorecard. Mailer Scorecards are available for individual mail owners and for Contractor, the mail presenter. The USPS will assess penalties or postage assessments against Contractor as the eDoc submitter associated with the mailing if the total Move Update failures submitted by Contractor per operating center under its USPS Customer Registration ID (CRID) is over the USPS established threshold for the month. If the City has its own USPS Mailer ID (MID), the City agrees that it will monitor its own failure rate for performance on the USPS Mailer Scorecard by the MID/CRID, which can be accessed through the USPS Business Customer Gateway. The parties will cooperate to identify and resolve failures involving the City's mail if either party has reasonable concerns about meeting the Mailer Scorecard threshold requirements. The parties shall also cooperate to promptly appeal any penalty or assessment by the USPS if there are reasonable grounds to advocate an appeal.

As to each job(s) for which the City elects to rely on its own application of a USPS Move Update Solution, the City will reimburse Contractor for any penalties or postage assessments imposed by the USPS against Contractor due to, or caused in part by, the City's mailpiece Move Update failures which exceed the Mailer Scorecard threshold, based upon Contractor's calculation of the City's pro-rata portion of such penalty or assessment for that month.

As to each job(s) for which the City elects the PBPS Move Update Solution applied by Contractor, the City will not be charged for such Move Update penalties or postage assessments imposed by the USPS against Contractor, on mailpieces processed by Contractor under those jobs even if the Move Update failures on those jobs exceed the Mailer Scorecard threshold.

If the City has not selected the PBPS Move Update Solution option, the remainder of this Section 4 is not applicable. If the City has selected the PBPS Move Update Solution option, such selection is governed by the terms of Sections 4.2 through 4.3 below.

- 4.2. **Physical Requirements for PBPS Move Update Solution:** Contractor can only spray barcodes on mail pieces that are non-glossy with a sufficient clear zone in the lower right quadrant. The City will be required to use another approved Move Update method for non-conforming mail pieces.
- 4.3. **PBPS Move Update Solution - Fee:** Application Fee per each piece of mail scanned as set forth in the CCG Contract.

**EXHIBIT A
CITY OF AUSTIN
DESCRIPTION OF SERVICES**

5. **Mail Specifications.** The City's mail shall meet all USPS requirements for automation compatible mail as set forth in the Domestic Mail Manual (DMM) and its attendant documentation applicable to each type of mail submitted, including but not limited to those set forth in this Section 5 (Mail Specifications).
- 5.1. The City's mail shall be submitted to Contractor upright in trays with all envelopes facing in the same direction, properly addressed and sealed. If the City's mail is (i) pre-metered, it shall be affixed with the correct postage rate, the correct date and appropriate "pre-sorted" notations; (ii) permit imprinted, it shall be separated and presented by the correct weight and affixed with the appropriate "pre-sorted" and indicia imprint and a return address; (iii) pre-canceled stamp, it shall be affixed with a pre-canceled stamp and shall contain a return address. The City shall complete and sign pick up slips at each location indicating the number of trays and/or pieces of mail to be processed by Contractor. If the City pre-meters its mail, the City shall provide Contractor with its current license numbers, and notify Contractor within five (5) business days of any changes. The City agrees to produce or promptly execute any Contractor or USPS documents required by the USPS. The City further agrees to make any changes in the way the City addresses and handles its mail as reasonably requested by Contractor and as required by the USPS.
- 5.2. If the City pre-barcodes its mail, the City must: (1) utilize the USPS Coding Accuracy Support System (CASS) to satisfy the USPS zip code accuracy requirements in Delivery Point Validation; and (2) apply only barcodes compliant with the then current Full Service Intelligent Mail Barcode (IMb) requirements of the USPS. The City acknowledges such penalties and assessments may include additional postage charged to all or most of a combined mailstream as presented by PBPS and not just for the City's portion of that combined mailstream.
- 5.3. USPS regulations require that mailers utilizing First Class discounted postage rates select one or more authorized move-update options. The City will utilize the authorized move-update option(s) indicated in Section 6 above. If the City utilizes the PBPS Move Update Solution, additional terms and conditions applicable to such services are set forth in Section 4.
- 5.4. The City's mail failing to meet the Mail Specification requirements above may be subject to return of the mail and/or USPS penalties. The City shall promptly pay upon receipt of appropriate documentation from Contractor any and all penalties or assessments levied against Contractor by the USPS as a result of the City's (or its customer or print provider) improper preparation and finishing of its mail.
6. **Warranty - Disclaimer.** Contractor shall perform all duties and obligations required of it pursuant to this Contract in accordance with accepted presort mail processing industry standards. EXCEPT AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, CONTRACTOR MAKES NO EXPRESS OR IMPLIED WARRANTIES (WHETHER IMPLIED IN FACT OR IN LAW), AND ANY SUCH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. CONTRACTOR HAS MADE NO STATEMENTS OF FACT OR OTHER REPRESENTATIONS TO THE CITY OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS CONTRACT AND THE CITY HEREBY AGREES THAT IT HAS NOT RELIED ON ANY STATEMENT OF FACT OR OTHER REPRESENTATION FROM CONTRACTOR IN ENTERING INTO THIS CONTRACT OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS CONTRACT.

**EXHIBIT B
CITY OF AUSTIN
SUPPLEMENTAL TERMS**

1. **Designation of Key Personnel.** The Contractor's Contract Manager for this engagement shall be Phillip Ostrand, Phone: (512) 680-1591, Email Address: phil.ostrand@pb.com. The City's Contract Manager for the engagement shall be David Lothery, (512) 974-9074, Email Address: david.lothery@austintexas.gov. The City's and the Contractor resolve to keep the same key personnel assigned to this engagement throughout its term. In the event that it becomes necessary for the Contractor to replace any key personnel, the replacement will be an individual having equivalent experience and competence in executing projects such as the one described herein. Additionally, the Contractor will promptly notify the City Contract Manager and obtain approval for the replacement. Such approval shall not be unreasonably withheld.

2. **Invoices.**

- 2.1. **Invoices shall contain a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Contractor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice. Invoices received without all required information cannot be processed and will be returned to the Contractor. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. Invoices shall be emailed or mailed to the below address:

	City of Austin
Department	Building Services
Attn:	Accounts Payable
Address	P.O. Box 1088
City, State, Zip Code	Austin, TX 78767
Email	BSDAPInvoices@austintexas.gov

- 2.2. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

3. **Payment.**

- 3.1. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.
- 3.2. **If payment is not timely made, (per this paragraph), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**
- 3.3. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
- 3.3.1. delivery of defective or non-conforming deliverables by the Contractor;
 - 3.3.2. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
 - 3.3.3. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - 3.3.4. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;

**EXHIBIT B
CITY OF AUSTIN
SUPPLEMENTAL TERMS**

- 3.3.5. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
- 3.3.6. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
- 3.3.7. failure of the Contractor to comply with any material provision of the Contract Documents.
- 3.4. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- 3.5. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic transfer of funds.
- 4. **Non-Appropriation.** The awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.
- 5. **Termination Without Cause.** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
- 6. **Insurance:** The following insurance requirements apply.
 - 6.1. **General Requirements.**
 - 6.1.1. The Contractor shall at a minimum carry insurance in the types and amounts indicated herein for the duration of the Contract and during any warranty period.
 - 6.1.2. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to Contract execution and within fourteen (14) calendar days after written request from the City.
 - 6.1.3. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
 - 6.1.4. The Contractor shall not commence work until the required insurance is obtained and has been reviewed by City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
 - 6.1.5. The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

**EXHIBIT B
CITY OF AUSTIN
SUPPLEMENTAL TERMS**

- 6.1.6. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.
- 6.1.7. All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall be mailed to the following address:
- City of Austin
Purchasing Office
P. O. Box 1088
Austin, Texas 78767
- 6.1.8. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- 6.1.9. If insurance policies are not written for amounts specified in Paragraph 5.1.2, Specific Coverage Requirements, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- 6.1.10. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- 6.1.11. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- 6.1.12. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- 6.1.13. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.
- 6.1.14. The Contractor shall endeavor to provide the City thirty (30) calendar days written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- 6.2. Specific Coverage Requirements. The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.
- 6.2.1. Commercial General Liability Insurance. The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries). The policy shall contain the following provisions and endorsements.
- 6.2.1.1. Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
- 6.2.1.2. Contractor/Subcontracted Work.
- 6.2.1.3. Products/Completed Operations Liability for the duration of the warranty period.
- 6.2.1.4. Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage.

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- 6.2.1.5. Thirty (30) calendar days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage.
 - 6.2.1.6. The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage.
 - 6.2.2. **Business Automobile Liability Insurance.** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The policy shall contain the following endorsements:
 - 6.2.2.1. Waiver of Subrogation, Endorsement CA0444, or equivalent coverage.
 - 6.2.2.2. Thirty (30) calendar days Notice of Cancellation, Endorsement CA0244, or equivalent coverage.
 - 6.2.2.3. The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.
 - 6.2.3. **Worker's Compensation and Employers' Liability Insurance.** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee. The policy shall contain the following provisions and endorsements:
 - 6.2.3.1. The Contractor's policy shall apply to the State of Texas.
 - 6.2.3.2. Waiver of Subrogation, Form WC420304, or equivalent coverage.
 - 6.2.3.3. Thirty (30) calendar days Notice of Cancellation, Form WC420601, or equivalent coverage.
 - 6.2.4. **Endorsements.** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.
7. **Equal Opportunity.**
- 7.1. **Equal Employment Opportunity.** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.
 - 7.2. **Americans With Disabilities Act (ADA) Compliance.** No Contractor, or Contractor's agent, shall engage in any discriminatory practice against individuals with disabilities as defined in the ADA, including but not limited to: employment, accessibility to goods and services, reasonable accommodations, and effective communications.
8. **Place and Condition of Work.** The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

**EXHIBIT B
CITY OF AUSTIN
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9. Workforce Security Clearance and Identification (ID).

- 9.1. Access to the various City buildings by the Contractor, all subcontractors and their employees will be strictly controlled at all times by the City.
- 9.2. Where denial of access by a particular person may cause the Contractor to be unable to perform any portion of the work of the contract, the Contractor shall so notify the City's Contract Manager, in writing, within ten (10) days of the receipt of notification of denial.
- 9.3. Contractor personnel will be required to check in at the security desk when entering or leaving the City building and Contractor identification badges must be on display at all times when in the building. Failure to do so may be cause for removal of Contractor Personnel from the worksite, without regard to Contractor's schedule.
- 9.4. The Contractor shall comply with all other security requirements imposed by the City and shall ensure that all employees and subcontractors are kept fully informed as to these requirements.

10. Compliance with Health, Safety, and Environmental Regulations. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

11. Reporting. Contractor shall provide monthly usage and quarterly reports to the City in content and form as mutually agreed upon by the Parties.

12. Audits.

- 12.1. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- 12.2. The Contractor shall include the section above in all subcontractor agreements entered into in connection with this Contract.

13. Stop Work Notice. The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

14. Indemnity.

14.1. Definitions:

- 14.1.1. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:

- 14.1.1.1. damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and

**EXHIBIT B
CITY OF AUSTIN
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subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or;

14.1.1.2. death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),

14.1.2. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

14.2. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

15. **Claims.** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

16. **Notices.** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the City and the Contractor shall be addressed as follows:

To the City:
City of Austin, Purchasing Office
ATTN: Contract Administrator
P O Box 1088
Austin, TX 78767

To the Contractor:
Pitney Bowes Presort Services, Inc.
ATTN: Phillip Ostrand, Contract Manager
4401 Friedrich Lane, Suite 211
Austin, TX 78744

17. **Confidentiality.** In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

**EXHIBIT B
CITY OF AUSTIN
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18. **Advertising.** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
19. **Independent Contractor.** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
20. **Modifications.** The Contract can be modified or amended only in writing signed by both parties. No pre-printed or similar terms on any Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.
21. **Dispute Resolution.**
 - 21.1. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
 - 21.2. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
22. **Jurisdiction And Venue.** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.
23. **Invalidity.** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

**EXHIBIT B
CITY OF AUSTIN
SUPPLEMENTAL TERMS**

24. **Holidays.** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

25. **Survivability of Obligations.** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.
26. **Non-Suspension or Debarment Certification.** The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
27. **Incorporation of Documents.** Section 0100 - Standard Purchase Definitions, is hereby incorporated into this Contract by reference, with the same force and effect as if they were incorporated in full text. The full text versions of this Section are available, on the Internet at the following online address:
https://assets.austintexas.gov/purchase/downloads/standard_purchase_definitions.pdf

EXHIBIT C - Texas Smart Buy Contract #915-M1

Contract Details

<http://www.txsmartbuy.com/contracts/view/1967>

(<http://www.comptroller.texas.gov/>)

Texas Comptroller of Public Accounts
Glenn Hegar



(<http://www.txsmartbuy.com>)

Dalchau, Jonathan ▾

Saved Carts ▾

0 Items

Contracts ▾

Reports ▾

Help (/help/)

Contract Details: # 915-M1

Number	915-M1
Description	Pre-Sort (Barcode) Mail Services – Flats, Letters and Postcards
Category	Managed
Type	Term
Start Date	9/1/2017
End Date	8/31/2019
Purchase Category Code(Agencies Only)	PCC C
Optional Renewal Terms	September 1, 2019, through August 31, 2020 September 1, 2020, through August 31, 2021 September 1, 2021, through August 31, 2022
Purchase Orders	Customers will issue an internal purchase order that references this CPA Contract Number and current item description(s) and pricing as stated on this contract. The Contractor will not ship any products or provide related services until receipt of a Purchase Order generated by the State Agency, Higher Education or Cooperative member.
MIGP Code(s)	915-58
CPA Contract Management	Questions regarding contract management issues, price changes, amendments or other post-award concerns should be directed to: SPD Contract Management Office (SCMO) Texas Comptroller of Public Accounts (CPA) Phone: (512) 512-463-3034 option 3 Email: spd.cmo@cpa.texas.gov (mailto:spd.cmo@cpa.texas.gov)
Contract Items and Pricing	915-M1 Pitney Bowes Pre-Sort Price Sheet (xls) (http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/915-M1 Presort Mail Services Pricing-Pitney Bowes.xls) 915-M1 Customer Responsibilities and Scope of Services (http://www.txsmartbuy.com/ShopFlow/Documents/Contract%20Attachments/915-M1 Presort Mail Services.doc)
Adding New Products to the Contract	Additional products or services of the same general category that are not already on the contract may be added by submitting an Open Market Requisition to the Statewide Contract Development section at open.market@cpa.texas.gov .
Delivery Delays by Contractor	If delay is foreseen, Contractor shall give written notice to the Customer and must keep Customer advised at all times of status of order. Default in promised Delivery Days After Receipt of Order (ARO) without accepted reasons or failure to meet specifications authorizes the Customer to purchase goods and services of this contract elsewhere and charge any increased costs for the goods and services, including the cost of re-soliciting, to the Contractor. Failure to pay a damage assessment is cause for contract cancellation and/or debarment or removal of the contractor, as applicable, from the State's Centralized Master Bidders List (CMBL).
Compliant Products by Contractor	Delivery does not occur until the Contractor delivers products, materials or services in full compliance with the specifications to Customer's F.O.B. destination, unless delivery is specifically accepted, in whole or in part, by the Customer. Providing products, materials or services which do not meet all specification requirements does not constitute delivery. Customer reserves the right to require new delivery or a refund in the event that materials or products not meeting specifications are discovered after payment has been made.
Purchase Order Cancellation	The Customer may request that a Contractor cancel a specific line item or an entire purchase order. There shall be no fees charged for cancellation of an item and/or order prior to shipment by the Contractor. A Purchase Order Change Notice should be processed and sent to Contractor.

EXHIBIT C - Texas Smart Buy Contract #915-M1

<http://www.txsmartbuy.com/contracts/view/1967>**Contractor Performance**

Statewide Procurement Division (SPD), administers a vendor performance program for use by all customers per Texas Government Code (TGC), §2262.055, and 34 Texas Administrative Code (TAC), §20.108. The Vendor Performance relies on the customer's participation in gathering information on vendor performance. State agency customers shall report vendor performance on purchases of \$25,000 or more from contracts administered by CPA, or any other purchase of \$25,000 or more made through delegated authority granted by CPA (TAC 20.108), or purchases exempt from CPA procurement rules and procedures. State agencies are additionally encouraged to report vendor performance on purchases under \$25,000.

Vendor Performance shall be reported through the CPA VENDOR PERFORMANCE TRACKING SYSTEM, (http://www.window.state.tx.us/procurement/prog/vendor_performance/)

The purpose of the Vendor Performance Tracking System is to:

- Identify vendors that have exceptional performance
- Aid purchasers in making a best value determination based on vendor past performance
- Protect the state from vendors with unethical business practices
- Provide performance scores in four measurable categories for the CMBL vendors
- Track vendor performance for delegated and exempt purchases

Contractor Information

VID: 14707942158

Contractor: PITNEY BOWES PRESORT SERVICES INC

Contact Name: Phillip Ostrand

Email: phil.oststrand@pb.com

Phone: (512) 680-1691

Address: 4401 Friedrich Lane, Suite 211 Austin, TX 78744



Texas Comptroller of Public Accounts
Glenn Hegar

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POLICIES

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- Link Policy (<https://comptroller.texas.gov/about/policies/links.php>)
- Texas.gov (<http://texas.gov>)
- Search from the Texas State Library (<https://www.tsl.texas.gov/trail/index.html>)
- Texas Homeland Security (<http://www.dhs.gov/geography/texas>)
- Texas Veterans Portal (<https://veterans.portal.texas.gov/>)
- Public Information Act (<https://comptroller.texas.gov/about/policies/public-information-act.php>)
- Texas Secretary of State (<http://www.sos.state.tx.us/>)
- HB855 Browser Statement

OTHER STATE SITES

- texas.gov (<https://www.texas.gov/>)
- Texas Records and Information Locator (TRAIL) (<http://www.tsl.state.tx.us/trail/>)
- State Link Policy (<http://publishingext.dir.texas.gov/portal/internal/resources/DocumentLibrary/State%20Website%20Linking%20and%20Privacy%20Policy.pdf>)
- Texas Veterans Portal (<http://veterans.portal.texas.gov>)



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

NOTICE OF AWARD

Page 1 of 2

Payee ID#: 14707942158
Pitney Bowes Presort Services, Inc.
4401 Freidrich Lane, Suite 211
Austin TX 78744

Contact Name: Philip Ostrand
Phone: 512-680-1591
E-Mail: Phil.ostrand@pb.com

Re: Contract No.: 915M1-1988
RFP No.: 304T- 18-915M1
Description: Pre-Sort (Barcode) Mail Services – Flats, Letters and Postcards
Term of Contract: date of Deputy Comptroller's signature on this Notice of Award through August 31, 2019

Your company, Pitney Bowes Presort Services, Inc., submitted a Bid to the Comptroller of Public Accounts (CPA) in response to the above-referenced Invitation for Bid (IFB). This letter is to inform you that the Comptroller accepts your Bid for the items listed in the attached Contract Item List.

The Contract Item List includes the Commodity Code for each item. This code must be included on the Customer's purchase order and on the sales report as required in Part A, Section A.10, to be submitted by the Contractor.

The Contract consists of the documents stated in Section B.3.4 of the IFB; however, products or services in your Bid for which you sought an award that are not included in the attached Contract Item Listing are not part of the Contract.

Only those assumptions and exceptions specifically noted in this award letter as Attachment A have been accepted by CPA. All other assumptions and exceptions are specifically denied. Any oral discussions, representations, or accommodations regarding assumptions or exceptions are specifically disclaimed.

As stated in the IFB, no minimum compensation under the Contract is guaranteed. You must not process or make delivery for any products or services until receipt of a purchase order by a Customer pursuant to the terms of the Contract.

Any payment due under this Contract will be applied towards any debt, including but not limited to delinquent taxes and child support, which is owed to the state of Texas.

The terms and conditions of this Contract may be modified only through a written amendment executed by an authorized representative of the CPA. Customers may not modify the terms and conditions nor amend the Contract.

NOTICE OF AWARD

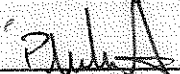
Page 2 of 2

Please review the attached Contract Item Listing carefully. Notify CPA of any errors requiring correction within five (5) business days of the date the Notice of Award was sent by e-mail from the Statewide Contract Development. Such notification and all invitations for any changes to the Contract, including communications regarding the Contract, shall reference the Contract number and IFB number and be submitted to Statewide Contract Management.

Statewide Contract Management

E-mail: spd_cmo@cpa.texas.gov

Texas Comptroller of Public Accounts

 FOR MIKE REISSIG

Mike Reissig

Deputy Comptroller

Date: 8.31.17

Attachment A

The following exceptions are noted and accepted by CPA:

A.5.3

Changes to the USPS discounted postage rates will be considered in accordance with the USPS changes with support documentation.

The Contractor Service Fees must meet the requirements of Section A.4.1 Pricing Structure – Firm Price (Contractor Service Fee)

Fee shall remain firm for the initial term and all renewal periods of the Contract. Fee shall include special handling, transport and delivery of mail.

A.8.2.b

The Contractor will promptly remove any personnel from performing the services if they do not meet the required background checks, drug test or applicable DOT requirements for their job.

Delete A.9.3.b.2

A.9.11.g

Contractor must report any damage, loss or theft of Customer Mail to the designated contact person for each Customer promptly, but not more than three (3) business days after Contractor's discovery of such damage, loss or theft.

B.1.2.2

In addition to the disclosures required above, Respondent to the best of its knowledge must also disclose if any of its personnel who are current or former officers or employees of the CPA or who are related, within the third degree by consanguinity (as defined by Texas Government Code § 573.023) or within the second degree by affinity (as defined by Texas Government Code § 573.025), to any current or former officers or employees of the CPA.

B.2.3

CPA and Customers may test and inspect during normal business hours and subject to Respondent's reasonable security and confidentiality procedures goods and services purchased under the Contract to ensure compliance with the specifications of this RFP and the Contract. CPA may also test and inspect goods and services before they are purchased under the Contract.

Authorized CPA personnel must have access to the Respondent's place of business for the purpose of inspecting the goods. To the extent practical, the CPA inspections will not disrupt the Respondent's daily operations. CPA or Customer will test samples submitted with the Proposal or samples taken from regular shipments. CPA will bear all costs of testing and inspection. In the event the goods tested fail to meet or exceed all conditions and requirements of the RFP and Contract, CPA or Customer will reject the goods in whole or in part, at CPA or the Customer's option. CPA or Customer will return the goods to Respondent or hold them for disposition at

Respondent's expense. Latent defects may result in cancellation of the Contract at no expense to the state.

If material fails to meet specifications, the Respondent will be notified by fax, mail, or e-mail. Respondent will have ten working days after receipt of the notification to remove the rejected material from state property at the Respondent's expense. Customer will dispose of the material Respondent does not remove in the allotted time period and will charge Respondent for all disposal expenses.

B.4.4

Contractor must perform the Contract with its own resources and those subcontractors identified in Contractor's HUB Subcontracting Plan. In the event that Contractor determines that it is necessary or expedient to execute additional or alternative subcontracts for any of the performances under the Contract, Contractor must submit a revised HUB Subcontracting Plan for prior approval before executing any subcontracts. Contractor must also transmit to the CPA for review and prior CPA approval a redacted copy of the proposed or existing contract with a subcontractor.

Contractor, in subcontracting for any performances specified in the RFP or resulting Contract, expressly understands and acknowledges that in entering into such subcontract(s), CPA is in no manner liable to any subcontractor(s) of the Contractor. In no event will this provision relieve Contractor of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all terms of this RFP and Contract. Contractor must manage all quality and performance, project management, and schedules for subcontractors. Contractor is solely responsible and accountable for the completion of all work for which Contractor has subcontracted.

B.7.29

Respondent represents and warrants that Respondent has not and Respondent's employees have not been convicted of a felony criminal offense, or that, if such a conviction of Respondent has occurred, Respondent has fully advised CPA as to the facts and circumstances surrounding the conviction. If awarded the contract, Contractor has a continuing duty to amend, supplement, or correct this representation and warranty promptly after discovering additional information relating to felony criminal convictions of Contractor or any of its employees. Contractor will not allow any employee convicted of a felony criminal offense to perform tasks related to the contract without such disclosure and express permission from CPA.

EXHIBIT C - Texas Smart Buy Contract #915-M1

Contract Item List

Contract No. 915M1-1988

RFP NO. 304T-18-915M1

PRE-SORT (BARCODE) MAIL SERVICES - LETTERS, FLATS AND POSTCARDS

Pitney Bowes PreSort Services, Inc.

Line No.	Commodity Code for Ordering and Reporting Purposes	Item Description	UOM	Contractor Service Fee Same Day	Contractor Service Fee Next Day	USPS Discounted Postage Rate SAME Day	USPS Discounted Postage Rate NEXT Day	USPS Discount Rate
1	915571001	Letter, First Class, Automation	EA	\$ 0.005	N/A	\$ 0.4030	\$ 0.4030	AADC
2	915571003	Letter, First Class, Non-Automation	EA	\$ 0.005	N/A	\$ 0.4030	\$ 0.4030	AADC
3	915571005	Flat, First Class, Automation	EA	\$ 0.304	\$ 0.294	\$ 0.4460	\$ 0.4460	5 Digit
4	915571007	Flat, First Class, Non-Automation	EA	\$ 0.304	\$ 0.294	\$ 0.4460	\$ 0.4460	5 Digit
5	915571009	Postcard, First Class, Automation	EA	\$ 0.014		\$ 0.2660	\$ 0.2660	AADC
6	915571011	Postcard, First Class, Non-Automation	EA	\$ 0.014		\$ 0.2660	\$ 0.2660	AADC
7	915571013	Marketing Mail (Formerly Standard Mail), Automation	EA				\$ 0.2450	AADC NDC
8	915571015	Marketing Mail (Formerly Standard Mail), Machinable	EA				\$ 0.2450	AADC NDC
9	915571017	Short Paid Mail Processing Fee	EA	\$ 0.03				
10	915571019	Change of Address Processing	EA	\$ 0.002				
11	915571021	Contingency Metering Services, Letter	EA	\$ 0.03				
12	915571023	Contingency Metering Services, Flat	EA	\$ 0.06				
13	915571025	Contingency Metering Services, Postcard	EA	\$ 0.03				
14	915571027	Contingency Metering Services, Certified Mail	EA	\$ 1.25				

EXHIBIT C - Texas Smart Buy Contract #915-M1

Contract Category No. 915-M1
Presort (Barcode) Mail Services
Letters, Flats and Postcards

A.1 CUSTOMER RESPONSIBILITIES

A.1.1 POSTAGE

- a. Mail from Customers must contain an agency meter, pre cancelled stamp or permit imprint.
- b. Each Customer must execute all required forms by the contractor and the USPS.

A.1.2 DAILY COLLECTION REPORTING

- a. Customer shall provide Contractor with a daily collection and processing report.
- b. At a minimum, the report shall include a count of the total number of pieces, trays and/or tubs to be processed for each of the following mail classifications:
 1. Domestic First Class Mail
 2. International Mail
 3. Domestic Marketing Mail
- c. Contractor may require additional collection information and shall coordinate with each Customer.

A.2 SCOPE OF SERVICES

The Project Manager and CSRs must be available during Regular Business Days and will return calls within 60 minutes.

A.2.1 MAIL PIECES

As defined by the Domestic Mail Manual (DMM)

a. FLAT SIZE

1. Length – Longest Dimension
Minimum: 11 ½ inches
Maximum: 15 inches
2. Height – Dimension perpendicular to the length
Minimum: 6 1/8 inches
Maximum: 12 inches
3. Thickness - Uniform
Minimum: 0.007 inch
Maximum: ¼ inch
4. Flexibility:
Even if packaged in something that is defined as a Flat, the envelope must bend naturally (under its own weight).

b. LETTER SIZE

1. Rectangular
2. Height:
Minimum: 3 ½ inches
Maximum: 6 1/8 inch
3. Length:
Minimum: 5 inches
Maximum: 11 ½ inches

EXHIBIT C - Texas Smart Buy Contract #915-M1

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4. Thickness:
Minimum: .007 inch
Maximum: ¼ inch

c. POSTCARDS

1. Rectangular
2. Paper stock, unfolded, uncreased, uniform thickness
3. Intended for mailing without an envelope
4. Height:
Minimum: 3 ½ inch
Maximum: 4 ¼ inches
5. Length:
Minimum: 5 inches
Maximum: 6 inches
6. Thickness:
Minimum: 0.007 inch
Maximum: 0.016 inch

d. FOLDED SELF-MAILERS

1. Bi-Fold – Folded once forming two panels
2. Tri-Fold – Folded twice forming three panels
3. Height
Minimum: 3 ½ inches
Maximum: 6 inches
4. Length:
Minimum: 5 inches
Maximum: 10 ½ inches
5. Thickness:
Minimum: 0.007 inch
0.009 inch if height exceeds 4 ¼ inch or length exceeds 6 inches
Maximum: ¼ inch
6. Weight Maximum: 3 ounces

A.2.2 PRESORT (BARCODE) SERVICES

a. Mail Types:

1. First Class

A class of mail that includes all matter wholly or partly in writing or typewriting, all actual and personal correspondence, all bills and statements of account, and all matter sealed or otherwise closed against inspection. Priority Mail is a subclass of First-Class Mail. Any mailable matter may be sent as First Class Mail.

2. Marketing Mail (formerly Standard Mail) required to be mailed as other than First Class

b. Services to meet USPS requirements:

1. Transporting Mail to the post office
2. Contractor equipment carries the certification of Multi-line Optical Character Reader Accuracy Support System (MASS) and ensures the hardware and software's ability to perform accurate address matching and barcoding of the mail.
3. Intelligent Mail Barcode (IMB)

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Letters, Flats and Postcards

- a) Contractor shall apply and/or read customers pre applied Full Service Intelligent Mail Barcode (IMB) per USPS rules and regulations
 4. Marking, combining, co-mingling, presorting, packaging, trayng, sleeving, banding, sacking, labeling packages and postal containers
 5. Generating USPS documentation
 6. Maximizing destination entry discounts
 7. Performing move updates for all classes of Customer's metered and permit imprint (printed indicia) mail, to achieve the finest depth of sortation and greatest postal discount possible.
 8. Contractor must combine each Customer's mail with mail from other customers in order to obtain the greatest postal discounts possible.
- c. Types of Mail for Presort Services:
1. Customers may present various types of Mail to the Contractor including, but not limited to, the following:
 - a) Automation compatible mail including self-mailers, booklets, postcards, heavy letter mail, reply cards, and envelopes
 - b) Zip Sequenced automation compatible mail- assembled by Customer in zip code order
 - c) Non Zip Sequenced automation compatible mail
 - d) Pre-barcoded (IMB) automation compatible mail
Mail pieces that bear an address barcode either in the address block or optical character reader (OCR) read area or in the case of flat mail that is pre-barcoded in accordance with the DMM.
 - e) Non Pre-barcoded Automation compatible mail
- d. Intelligent Mail Barcode:
The Contractor must apply an IMB and/or IMPB then presort to the greatest extent possible to all automation compatible Letters, Flats, Postcards, Parcels and other mail types.
- e. Non-Automation Mail:
The Contractor will presort all non-automation compatible Letters, Postcards, Parcels and Flats to the greatest extent possible.

A.2.3 MAIL PICK UP

- a. Contractor must pick up the Mail on a daily basis, Monday through Friday, 8:00 a.m. to 5:00 p.m., or as coordinated with Customers to meet their frequency and times.
This excludes Federal Holidays when the USPS is closed.
- b. Contractor must provide Customers with adequate receptacles according to their needs for preparing Mail for pick up. Examples include, but are not limited to:
 1. Tubs
 2. Trays
 3. Post cons
 4. Hampers
 5. Pallets, etc.
- c. Mail Pieces Per Customer/Location Minimum: 1,500 pieces per day
Contractor and Customers may mutually agree to lower limits.

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- d. Customers that fail to generate the minimum volumes may deliver their mail to the Contractor or through another Customer for pick up by Contractor.
- e. Pickup Receipt:
The Contractor must sign a receipt indicating the pickup time, date, the number of pieces of mail, number of trays and/or tubs of mail and type of mail consigned for each Customer.
- f. If the Contractor picks up more than one Customer's mail at one location, the Contractor must generate and sign a separate transmittal receipt for each Customer.
- g. The Contractor must report in writing any discrepancies greater than 5% between the signed receipt and the actual processing totals to the Customer's designated contact person on the next business day.
- h. All costs associated with the pickup and dispatch of mail is the responsibility of the Contractor.

A.2.4 MAIL PROCESSING

- a. Contractor must process all Mail, regardless of the postage payment, the same day or next day as required by the Customer.
- b. Machine rejected mail will be processed same day and/or on the next business day as time permits and must be processed by next business day
- c. Contractor must perform a preliminary review of all Mail at the time of pick up to ensure that it contains meter impressions that meet USPS standards.
- d. Contractor must further examine mail at delivery to contractor's facilities.
- e. The Contractor must not accept mail with Stale Meter Dates (date on a postage meter postmark that is other than the date the mail is deposited with a USPS facility) or meter imprints that are illegible.

A.2.5 DELIVERY TO USPS (Same Day or Next Day)

- a. USPS Delivery:
 - 1. Contractor must deposit Mail on the same day as the postage meter date to meet all USPS meter deposit guidelines with the exception of machine rejected mail.
 - 2. Contractor must present all Mail to USPS no later than the current deadline in the USPS operation plans, as set forth by the USPS Bulk Mail Entry Unit.
- b. Delivery Service Requested by Customer:
 - 1. Contractor must follow each Customer's designated same-day and next-day service requirements.
 - 2. Same Day: The Contractor must deliver all mail to USPS on the same business day that the Contractor picks up the Mail from a Customer.
 - 3. Next Day:
 - a) Contractor must deliver all Mail to USPS on the following business day.
 - b) The Contractor must deliver all Mail to USPS on the following business day picked up on a Friday or the day before a USPS holiday if the Customer requires next day service.
 - 4. The Contractor and Customer may mutually agree to a different arrangement for a particular mailing.

A.2.6 CHANGE OF ADDRESS PROCESSING

- a. A USPS-licensed multiline optical character reader system that updates addresses by identifying names and addresses for which current change-of-address orders are on file.

EXHIBIT C - Texas Smart Buy Contract #915-M1

Contract Category No. 915-M1
Presort (Barcode) Mail Services
Letters, Flats and Postcards

- b. Contractor must use the National Change of Address (NCOA) secure database to process and update their mailing lists prior to sending out mailings for a fee.
- c. Respondent must detail in their Proposals their ability to provide FASTforward or similar service or mail forwarding information that meet USPS specifications in accordance with the Domestic Mail Manual for use, upon request, by Customers.
- d. Respondent must factor in all costs for FASTforward into their fees for services.

A.2.7 SHORT PAID MAIL

- a. Short Paid Mail: Mail that does not have enough postage paid for its weight and/or service
- b. Contractor must not tender Short Paid Mail to the USPS
- c. Contractor must immediately contact the Customer upon its identification of Short Paid Mail.
- d. Customer must communicate one of the following actions to the Contractor:
 - 1. Customer may request the Short Paid Mail be returned at the next mail pick up;
 - 2. Customer may pick up the Short Paid Mail; or
 - 3. Customer may request the Contractor to Re-meter the mail, as appropriate, and invoice for the additional postage.

A.2.8 NON-ELIGIBLE MAIL

- a. Mail that cannot be accepted by USPS or does not meet USPS automation standards.
- b. The Contractor must immediately notify the Customer by telephone or e-mail if fifty (50) pieces or more of Non-eligible Mail are included in a single pick up.
- c. Contractor must return all Non-eligible Mail to the original pick up location for each Customer during the next day's first pick up.
- d. Customers may pick up Non-eligible Mail at the Contractor's location immediately upon receipt of such notification.
- e. Customer may authorize the Contractor to process the mail at their direction.

A.2.9 SECURITY REQUIREMENTS

- a. Contractors must guarantee the security of all mail and the transport all mail in an enclosed and secured vehicle.
- b. The Contractor must insure against damage, loss or theft of mail while Contractor is providing services pursuant to the Contract.
- c. The Contractor must maintain proper control of mail to prevent access by unauthorized individuals.
- d. The Contractor must maintain a secure facility.
- e. The minimum security requirements for Contractor facilities include:
 - 1. Physical security and access control systems (including remote alarm);
 - 2. An automatic fire detection system; and
 - 3. Emergency opening and alarm activation capabilities in compliance with all applicable government fire and safety codes.
- f. Contractor must report any damage, loss or theft of Customer Mail to the designated contact person for each Customer promptly, but not more than 3 business days following Contractor's discovery of such damage, loss or theft.

EXHIBIT C - Texas Smart Buy Contract #915-M1

Contract Category No. 915-M1
Presort (Barcode) Mail Services
Letters, Flats and Postcards

A.2.10 REPORTING REQUIREMENTS

a. Reporting for Customers

Contractor shall make Mail processing reports available to the Customer(s) within five (5) business days of written request.

b. Reporting for State Mail Office

Contractor shall send a Monthly piece count with postage totals to the State Mail Office operated by CPA's Statewide Procurement Division. The State Mail Office will bill back postage and piece count totals based on software from metering the mail. Contractor shall bill back State Mail Office based on total mail processed by the contractor. Other billing or reporting requirements can be made with the State Mail Office based on a mutually agreed upon arrangement.

A.2.11 CONTINGENCY SERVICES

During the term of the Contract, Customer(s) may temporarily lose the ability to meter or permit imprint their mail. Contractor should include in its proposal a Contingency Services Plan that explains how the Contractor will provide contingency metering services for Customers following the procedure outlined below:

- a. At the request of the Customer, the Contractor will pick up mail.
- b. The Customer will provide:
 1. The total number of trays and/or tubs with the following:
 - a) Domestic Mail: Count for each type of mail: Letters, Flats, Postcards or Certified Mail
 - b) International Mail: Count for each type of mail: Letters, Flats, Postcards or Certified Mail
 2. The metering and permit imprint services required for each type
 3. Delivery Requirements to USPS:
Same business day or
Next business day
- c. The Contractor shall meter or permit imprint the mail per the guidance provided by the Customer
- d. The Contractor will take the mail to USPS for processing
- e. Invoice will include the following for Contingency Services:
 1. The invoice may include, as an attachment, a detailed report to identify each type of mail, the counts for each type and the applicable postage.
 2. Postage Costs (actual)
 3. Meter or Permit Imprint Fee per piece
- f. No additional service fees may be assessed to the Customer.

EXHIBIT C - Texas Smart Buy Contract #915-M1

Barbara A. Ludwig-Jeppesen

From: Philip D. Ostrand
Sent: Thursday, August 31, 2017 11:59 AM
To: Dee.Dorsey@cpa.texas.gov
Cc: Susan C. Smith; Russ Hutchison; Eric Shields; Barbara A. Ludwig-Jeppesen; Gregory C. Kneiff
Subject: Pitney Bowes Presort Services Response to TPASS 304T-18-915M1 Pre-Sort Mail Services

Dee, please see our responses below.

Section	Section Title	TPASS Response	PBPS Response
A.5.3	Discounted Rate Increase Request	Changes to the USPS discounted postage rates will be considered in accordance with the USPS changes with support documentation. The Contractor Service Fees must meet the requirements of Section A.4.1 Pricing Structure – Firm Price (Contractor Service Fee) Fee shall remain firm for the initial term and all renewal periods of the Contract. Fee shall include special handling, transport and delivery of mail.	Acceptable
A.6	Insurance	Will Remain as Written	PBPS will provide Certificates of Insurance or other proof of the renewal at least ten calendar days prior to any expiration but we can't provide actual copies of the Renewal Policies.
B.4.4	Subcontracting Approval	CPA agrees to revise to: "a redacted copy of the proposed or existing contract". CPA must be able to ensure that the Contract contains the proper State Terms and Conditions.	PBPS will provide redacted copies of subcontracting agreements with CPA's revision. PBPS asks that with contracting for transportation of mail that PBPS can notify the State in an emergency situation and get approval for transportation of mail on a faster informal basis, with the formal process as follow up.
B.7.4	Records Retention	Not Acceptable. This is a statutory requirement and not negotiable.	PBPS Accepts.
B.7.29	Felony Criminal Convictions	We can narrow to only apply to PB employees assigned to work on our	We appreciate the offer to narrow the requirement. The real concern for us is

EXHIBIT C - Texas Smart Buy Contract #915-M1

		contract, but in particular because this contract involves the handling of mail, we need some assurance that we don't have a person convicted of mail fraud working on our contract.	reporting specific information about individuals to the State. As previously noted, PBPS employees convicted of mail fraud will be terminated from our employment. PBPS will work with the State to report any instances of this arising, subject to legal limitations about details of any said occurrence specific to information about individuals.
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Phil Ostrand
Executive Sales Rep
PB Presort Services

T 512.680.1591
phil.ostrand@pb.com
pitneybowes.com

Pitney Bowes
4401 Freidrich Ln
Austin TX 78744

Assumptions and Exceptions
RFP No. 3047-18-915M1 Pre-Sort (Barcode) Mail Services - Letters, Flats and Postcards
Respondent: Pitney Bowes Presort Services, Inc.

USPS Section	Section Title	Respondent Exception	Respondent Proposed Language	TPASS Final Response - to be reflected in Award Letter
A.5.3	Discounted Rate Increase Request	The intent of this section is not clear. It states that the SCM will consider increases in USPS discounted postage rates after the initial term, but the USPS may make changes in rates, rules, regulations or incentives at any time. PBPS would provide notice of those changes. PBPS proposes that the section be revised to include language similar to what was agreed to in the award of contract for the current PBPS contract with the State.	All pricing is based upon current USPS rates, rules and regulations and is subject to change in the event that the USPS adopts any new postal regulations, procedures, rates, or incentives which directly affect the cost or performance of the services. PBPS will provide the State with at least 15 days advance written notice of such changes and would review them in detail with the State. In the case where the USPS changes one or more Postage Rates, or when USPS amends rules or regulations in such a way as to have a direct effect on the cost or performance of the services, the CPA delegates authority to the SCM to approve the resulting changes in the Pricing Sheet without CPA approval. Where the Contractor's request for an increase is based upon changes in USPS rules or regulations, the Contractor shall submit information sufficient to clearly demonstrate the impact of the regulatory changes on the pricing structure. In the situation of USPS rate changes or regulatory changes, the Contractor may either keep its fees the same or decrease them by stating so in a letter notifying the CPA of the changes. In the event such USPS changes results in a request from Contractor to increase its fees, a reasonable adjustment directly related to the change may be approved by the SCM upon receipt of supporting documentation justifying the need for the rate increase.	Changes to the USPS discounted postage rates will be considered in accordance with the USPS changes with support documentation. The Contractor Service Fees must meet the requirements of Section A.4.1 Pricing Structure - Firm Price (Contractor Service Fee) Fee shall remain firm for the initial term and all renewal periods of the Contract. Fee shall include special handling, transport and delivery of mail.
A.6	Insurance	PBPS has all the insurance of the types and coverages listed; however, PBPS cannot provide copies of its insurance policies and cannot provide evidence of renewal prior to the expiration of a policy.	In item (3) delete the phrase "deliver all renewal policies at least ten calendar days prior to any expiration" and replace it with "delivery of all certificates of insurance within 10 calendar days after renewal".	Will Remain as Written
A.8.2.b	Contractor Personnel Screening	PBPS has substantial legal concerns regarding the consequences of providing names of employees who are removed from service due to an unsatisfactory background check, drug screen or DOT screen. If the State believes this information is necessary, PBPS would work with the State to determine how the information might be provided in a manner that protects the confidential nature of the information.	Replace Section A.8.2.b with the following: The Contractor will promptly remove any personnel from performing the services if they do not meet the required background checks, drug test or applicable DOT requirements for their job.	Acceptable
A.9.2.b.2	Presort (Barcode) Services	PBPS is not in a position to provide CASS certification of Customer mailing lists because we don't provide mailing list services.	This requirement should be deleted because the RFP already has a requirement for MASS certification which applies to presort providers. See our additional explanation in the Response section. This change was agreed in the 2012 RFP process.	Acceptable
A.9.11.2	Security Requirements	It is not always possible to make notification within 4 hours of discovery of damage, loss or theft of mail as PBPS must perform its due diligence and investigate the situation.	Replace the phrase "no later than four (4) hours following" with "promptly of, but not more than three (3) business days after".	Acceptable
B.1.2.2	Current and Former CPA Employees	To the best of PBPS' knowledge and based on information provided by job applicants, no personnel of PBPS or Totes are current or former CPA employees.	Insert "to the best of its knowledge" after "Respondent" and insert "if" between "disclose" and "any".	Acceptable
B.2.3.	Testing and Inspection	PBPS would just like clarification that this anticipates visits during normal business hours subject to PBPS' security and confidentiality procedures, and that any testing or inspection is at the State's expense.	Insert "during normal business hours and subject to Respondent's reasonable security and confidentiality procedures" after the phrase "test and inspect" in the first sentence. Revise the fourth sentence of the second paragraph to read "CPA will bear all costs of testing and inspection."	Acceptable
B.4.4	Subcontracting Approval	PBPS only uses subcontractors to perform transportation services. Our contracts with these transportation providers is not exclusively related to the State's mail and therefore the contract between PBPS and the transportation provider would include confidential and proprietary information not directly relevant to the services for the State. Therefore, while we could produce evidence of the contract we could not provide the entire contract if doing so would make it a public document.	Replace the last sentence of the first paragraph to delete the phrase "a true copy of the subcontract it proposes to execute" and replace it with "sufficient evidence of the proposed or existing contract".	CPA agrees to review to: "a redacted copy of the proposed or existing contract". CPA must be able to ensure that the Contract contains the proper State Terms and Conditions.

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Assumptions and Exceptions
 RFP No. 304T-18-915M1 Pre-Sort (Barcode) Mail Services - Letters, Flats and Postcards
 Respondent: Pitney Bowes Presort Services, Inc.

IFB Section	Section Title	Respondent Exception	Respondent Proposed Language	TPASS Final Response - to be reflected in Award Letter
B.7.4	Records Retention	PBPS prefers that the retention period be the same as in the current contract between the State and PBPS, which is 4 years.	In the second sentence, delete the phrase "seven years after the expiration of the Contract" and replace it with "four years from the date of the relevant record or document or such longer period if required by applicable law".	Not Acceptable This is a statutory requirement and not negotiable.
B.7.29	Felony Criminal Convictions	PBPS can agree that if the company is convicted of a felony criminal offense, CPA would be notified, but we have legal concerns related to disclosure of details surrounding any conviction of an employee; however the employee would be removed.	In the first sentence, revise the phrase "if such a conviction has occurred" to read "if such a conviction of Respondent has occurred". In the second sentence, revise the phrase "not later than ten days" to read "promptly" and delete "or any of its employees".	We can narrow to only apply to PB employees assigned to work on our contract, but in particular because this contract involves the handling of mail, we need some assurance that we don't have a person convicted of mail fraud working on our contract.

EXHIBIT D

City of Austin, Texas NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION

City of Austin, Texas

Equal Employment/Fair Housing Office

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require of all subcontractors having 15 or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

City of Austin Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

EXHIBIT D

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, OR THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

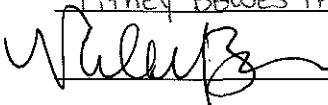
Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 20th day of SEPTEMBER, 2018

CONTRACTOR
Authorized
Signature

Pitney Bowes Presort Services, Inc.


Title

CHIEF OPERATIONS OFFICER